

# BUSINESS

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## Budget delivers a mixed bag for farming businesses

► APR now applicable to land in ELM schemes

By Jane Thynne

CHANGES to Agricultural Property Relief (APR) was the main point of interest for farmers and landowners as Chancellor Jeremy Hunt delivered the final Budget of this Parliament last week.

The changes would ensure APR was applicable to land entered into one of the Government's Environmental Land Management schemes.

The change also applied to let land, which, according to Jeremy Moody, secretary and adviser to the Central Association of Agricultural Valuers, would provide 'welcome certainty'.

Mr Hunt said APR would be extended from April 2025 to transfers, on death and lifetime, of farmland put into qualifying environmental agreements anywhere in the UK.

Mr Moody welcomed the decision, which had followed a 12-month consultation in response to concerns raised by landowners that land taken out of agricultural production and given over to environmental delivery would no longer qualify for 100 per cent relief.

He said: "This will remove Inheritance Tax [IHT] as an issue for farmers and landowners looking at environmental commitments.

"These options can now be considered on business and personal reasons, not pre-empted by fear of IHT and its 40 per cent rate."

Jason Beedell, rural research director at land agent Strutt and Parker, said the move would give farmers 'clarity and confidence'.

### Productivity

However, Mr Beedell also said the Budget was one of 'swings and roundabouts' on the whole. He pointed to a section in the Budget documents on farming productivity, which restates the recent Government announcement of £427 million of grants being available to farmers.

"However, this spending on improving productivity should be tempered by planned cuts in Defra's spending of 12.5 per cent or £0.6m between 2023/24 and 2024/25, and even bigger cuts to the Levelling Up, Housing and Communities Budget," he said, adding the scrapping of tax reliefs for furnished holiday lets would be a blow to diversified businesses.

### Missed opportunity

Mark Lumsden Taylor, head of food at MHA accountants, said the Budget had been a missed opportunity to create a sustainable food industry. But added the

chancellor's promise to consider full expensing on leased assets was a key takeaway.

"Food manufacturers lease huge sways of equipment, and this will be most welcome as a result. However, support should focus on strengthening local food systems and identifying matching needs for the national need; collation of food business with an economic incentive to shift, grow and apply sustainable principles," he said.





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